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Governor

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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 15, 2009

### CERTIFIED RETURN RECEIPT

7003 2260 0002 0247 8270

Velina Miller  
Quality Building Stone, Inc.  
993 West 14730 South  
Bluffdale, Utah 84065

Subject: Five-Year Escalation of Reclamation Surety, Quality Building Stone, Inc., Red Chief Mine, S/015/0083, Emery County, Utah

Dear Ms. Miller:

The Division reviewed the reclamation cost estimate for the Red Chief Mine as part of the five-year review. The School and Institutional Trust Lands Administration holds a surety of \$2,000. Upon review of the notice of intention, the Division has found the surety needs to be increased and escalated for three years.

The surety for the Red Chief Mine escalated to the year 2012 is \$7,400.00. The surety amount is listed below. Please provide the updated surety within 60 days or no later than September 14, 2009. If you would like to have the surety escalated for five years instead of three, the amount needed is \$7600.00.

### Small Mining Operation Notices

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required

Once you submit the new surety, the Trust Lands Administration will release the bond they currently hold.

The Division contacted State Institutional Trusts Lands about the status of the lease. Mr. John Blake told the Division that no work has occurred on the site for several years. The Division recommends that you reclaim the site and apply for bond release if you have no intention to continue mining.

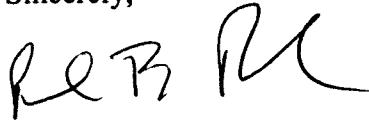


Velina Miller  
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The surety can be submitted in the form of a certificate of deposit, a letter of credit, a surety bond, or cash. Please contact the Division's bonding coordinator, Penny Berry, for information about submitting the surety. She can be reached at 801-538-5291 or by e mail at [bondingcoordinator@utah.gov](mailto:bondingcoordinator@utah.gov).

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker  
Mining Program Manager

PBB:whw:pb

cc: John Blake, SITLA

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